STRATEGIC PLAN
FOR THE CANADIAN CHICKEN INDUSTRY

2014
–
2018

Chicken Farmers of Canada
Les Producteurs de poulet du Canada

VISION & MISSION

CFC VISION

To grow consumer demand for Canadian-grown chicken.

CFC MISSION

On behalf of Canadian chicken farmers, lead and drive the improved efficiency of chicken farmers and the Canadian chicken industry to better serve consumers, and to ensure that chicken continues to be the leading protein preference of Canadians.

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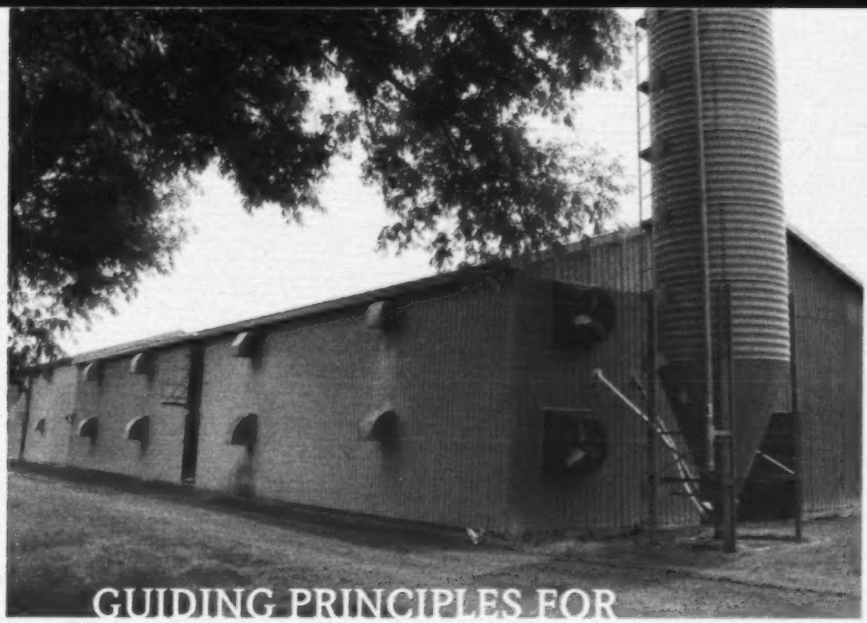

GUIDING PRINCIPLES FOR CHICKEN FARMERS OF CANADA

The implementation of this plan will be guided by the following principles:

1. Promote profitable innovation and expansion of the Canadian chicken industry and the demand for its products.
2. Leverage its leadership position and enhance its capacity to seize every opportunity to improve efficiency throughout the value chain.
3. Identify and respond to consumer expectations for value, food safety and quality, and social values for animal care, and the environment.
4. Build transparency and accountability in a sustainable and dynamic supply management system.
5. Continuously improve the supply management system to reflect a changing marketplace, while preserving its fundamental values, pillars and principles for the benefit of farmers, stakeholders, and consumers.

THE CENTRAL THRUSTS OF THE 2014–2018 STRATEGIC PLAN

This is an evolutionary plan. Flowing from the Vision, Mission and Values, the Strategic Plan contains a number of central thrusts that provide the energy and direction for the Key Result Areas (KRA). These include:

- A renewed focus on profitable growth in the industry. This growth of Canadian-grown chicken will be driven by a clear focus on the needs of customers and consumers.
- Leveraging the supply management platform to drive mutually-advantageous efficiency improvements throughout the value chain.
- Restoring integrity to the Import Control Pillar.
- Continuing to maintain a supportive trade policy regime.
- Improving the effectiveness of the allocation system so that it accurately satisfies demand plus innovation, and addresses differential growth.
- Setting a firm goal and timeline to eliminate the preventive use of Class 1 antimicrobials.
- Moving the On-Farm Food Safety Assurance Program forward to deal with food pathogens.
- Addressing negative press and media myths.
- Creating a positive public story that highlights the commitments of farmers to social values and consumer interests, and creates visibility and recognition in the marketplace for Canadian-grown chicken.

Cutting across all of these goals is the objective of working together as a value chain, in recognition of the interdependence of stakeholders and the need for collaboration to achieve success as an industry.

CONSUMER-DRIVEN GROWTH

OBJECTIVE

Grow consumer demand for Canadian-grown chicken.

CONTEXT

This KRA drives off the Vision statement of the plan.

- It underscores that to grow the market there is a need to understand and deliver, for both the customer and the consumer.
- The central idea is that a growing chicken market is good for all stakeholders.
- Over time, Canadian-grown chicken must supply a greater share of that growing market.

Strategy 1.1

Create a dynamic and engaging focus on growth throughout the value chain: Know the Customer, Know the Consumer.

Initiatives

1.1.1 Research consumer usage and attitudes in order to develop a clear picture of future consumer needs and opportunities.

1.1.2 Create an industry forum to discuss and better understand customer requirements (bird size, shelf life, processing days) and consumer preferences (free range, organic, antibiotic free, dark meat, specialty and ethnic markets, locality of production).

1.1.3 Take a fresh look at growth in all its dimensions, including: spent fowl and import replacement; an increase in meal occasions; support for new product innovation; increase domestically produced share of total chicken market supply; and surgically explore value added niche market opportunities.

Strategy 1.2

Create positive consumer identification with Canadian-grown chicken.

1.2.1 Implement a national branding program for fresh chicken at retail:

» The objective is to have Canadians eat one additional chicken meal every two months.

1.2.2 Investigate the challenges and opportunities of extending the coverage of the branding program beyond fresh chicken at retail.

VALUE CHAIN EFFICIENCY AND COMPETITIVENESS

OBJECTIVE

Continuously improve the efficiency of the Canadian chicken value chain while maintaining production in all provinces.

CONTEXT

Improved efficiency will be essential for the industry to compete sustainably in its own marketplace over the longer term; to optimize the assets that are in place; and to create the environment that drives new investments in industry infrastructure. The thrust is geared to acknowledging that there is a price gap relative to imports to which consumers and policy makers are sensitive.

Strategy 2.1

Using the platform of supply management, drive efficiency and competitiveness up and down the value chain.

Initiatives

2.1.1 Facilitate the implementation of transparent, robust and fact-based live prices that take into consideration provincial and regional differences and stand up to public scrutiny.

2.1.2 Address regional supply demands in the most efficient manner.

2.1.3 To encourage a fair and competitive market, investigate new options of supplying processors.

2.1.4 Create a value chain forum/working group to investigate efficiency initiatives to address internal economic stresses, reduce industry-wide costs, and optimize the infrastructure that is in place.

» One of the first initiatives may be to benchmark the Canadian value chain versus the U.S. to determine priorities for collaborative action, given the differences and realities of each country.

2.1.5 Support research and innovation through the Canadian Poultry Research Council to drive production costs down.

KRA 3

SYSTEM MANAGEMENT

OBJECTIVE

Enhance the flexibility, effectiveness and integrity of the supply management system.

CONTEXT

Success will be evaluated based on a number of key measures:

- Efficiency, effectiveness and integrity of the allocation system to meet market needs.
- Capacity of the system to evolve and be relevant and acceptable over time.
- Strong public and political trust and support.
- Maintenance of the integrity of the three pillars of supply management.
- Simplicity and transparency.

Strategy 3.1

Evolution and flexibility of the supply management system for chicken.

Initiatives

3.1.1 Conclude a differential growth agreement that supports profitable growth of Canadian-grown chicken.

3.1.2 Conduct a substantive review of the current allocation system.

- » Review the CFC Market Development Policy.
- » Determine what allocation changes are required to promote/facilitate growth, including innovative, emerging or specialty markets.

Strategy 3.2

Improve the effectiveness of the allocation system.

Initiatives

3.2.1 Improve the effectiveness of the allocation system to provide stability of supply.

- » Ensure that CFC Directors and stakeholders have the right data for allocation decision-making.
- » Focus on one set of numbers that are standard across the industry.
- » Do a better job of allocation; more objective and data-based.
- » Assess the merits of setting the allocation on a more efficient frequency.

Strategy 3.3

Re-establish the integrity of the import control pillar of supply management for chicken.

Initiatives

3.3.1 Engage federal and provincial governments on multilateral, regional and bilateral trade negotiations to ensure that supply management is preserved.

3.3.2 Pursue an integrated government approach to effective import controls.

- » Maintain continuous engagement on import control issues, including:
  - DFAIT – TRQ administration
  - AAFC – policy leadership and market information
  - Finance – definitions and tariff treatment
  - CBSA – classification determinations and enforcement
  - CFIA – inspection and enforcement

3.3.3 Aggressively pursue government and industry action to stop the serious disruption to the Canadian chicken industry caused by spent fowl imports.

- » Organize an industry dialogue on this issue to: get the facts and clarify the long-term goals of the industry on this issue; prevent fraud, and explore an industry strategy to maximize opportunities for Canadian producers for import replacement, including discussion of regulation regarding blended product and the definition/classification of spent fowl.

Aggressively address negative, misleading, and untrue press.

Strategy 3.4

Build strong public and political trust and support for Canada's chicken farmers and for the benefits of supply management.

Initiatives

3.4.1 Demonstrate that Chicken Farmers of Canada honours the social license that it has been given to have an industry-regulated supply management system.

- » Improve transparency and accountability.
- » Reduce complexity and increase ease of understanding.
- » Know what the consumer wants and expects from the family farm.
- » Create a forum for the provinces and industry stakeholders to discuss programs, policies and best practices to enhance opportunities for new entrants into the system, particularly for specialty and small-scale production.

3.4.2 Coordinate public and government relations strategies to promote the relevance and benefits of a Canadian chicken industry.

- » Industry collaboration to educate politicians on the realities and benefits to Canada of a uniquely Canadian system for chicken production.
- » Continue to lobby with other stakeholders on trade negotiations.
- » Develop a communications strategy, supported by stakeholders, to inform and educate consumers on the benefits of a supply-managed Canadian chicken industry and the evolving nature of the family farm today.
  - ○ Build a public coalition of support for the Canadian chicken industry and supply management.
  - ○ Communicate the "good news story" about supply management (good for consumers, the environment, farmers, and rural communities).
- » Work together to proactively address internal challenges to the system that only serve to draw negative attention and undermine political and public support.
- » Aggressively address negative, misleading, and untrue press.

KRA 4

RESPONSIBLE STEWARDSHIP & RISK MANAGEMENT

OBJECTIVE

Continue to improve the industry credentials and reputation regarding responsible stewardship and risk management.

CONTEXT

"Stewardship" means that we understand the responsibility that we have in terms of the consumer, animals, and the environment, and that we act accordingly. "Risk management" means proactively identifying, preventing, and managing major risks to chicken production.

Strategy 4.1

Maintain leadership in the development and implementation of science-based management practices that reflect and address Canadian values and perceptions for public health, animal care, and the environment.

Initiatives

4.1.1 Be a leader in on-farm food safety:

- » Undertake proactive communications to ensure that consumers and government are aware of the steps taken in food safety and biosecurity.
- » Ensure consistency of 100% mandatory OFFSAP implementation and compliance across all provinces.
- » Work with government and other sectors to promote the OFFSAP model nationally and internationally.
- » Investigate opportunities to computerize OFFSAP for the benefit of farmers, administrators, and consumers.
- » Connect pre- and post-slaughter traceability initiatives to provide a farm-to-fork continuum.
  - o This combination would address industry animal health, disease and economic risks and consumer food safety/recall concerns (contaminated feed is a good example of an issue that connects the two).
- » Coordinate with the governmental Pathogen Reduction Initiative to reduce *Salmonella* (e.g., SE), *Campylobacter* and *E. coli* contamination.

4.1.2 Antibiotic use:

- Implement an antibiotic reduction strategy for the use of antibiotics within overall responsible animal husbandry practices.
  - Decrease the use of antibiotics of human importance.
  - Increase producer knowledge of, understanding of, and involvement in antibiotic use.
  - Modify industry management practices from the breeders, hatcheries and chicken farmers to help improve quality and reduce use.
- Develop an antibiotic use surveillance capacity to effectively report antibiotic use within the industry (and publicly).
- Increase the use of, acceptability, and confidence in antibiotic alternatives in feed.
  - Change the Canadian regulatory system to allow for the more rapid registration of antibiotic alternative products.
- Eliminate the preventative use of Category 1 antibiotics by January 1, 2015.
- Investigate the application of restricted antibiotic use to chicken imports.

4.1.3 Animal care:

- Ensure consistency and full implementation of and compliance with CFC's Animal Care Program across all provinces.
- Lead the process to revise the Code of Practice.
- Implement a national program for animal care based on practical, responsible, science-based standards that extends from the farm level to the processing level (production, catching, handling, transportation), and includes proper accountabilities.

4.1.4 Environment:

- » Improve the overall environmental performance of the chicken industry.
  - ○ Undertake an environmental performance assessment of water, waste, manure, and effluent management on farms and in processing plants.

Strategy 4.2

Put in place the tools required to identify, prevent, and control animal diseases of economic and zoonotic significance.

Initiatives

4.2.1 Animal health:

- » Put in place contingency planning schemes for major animal disease outbreaks.
  - ○ Implement business continuity plans for value chain stakeholders.
  - ○ Further investigate loss insurance programs for farmers.
- » Lever provincial chicken board flock and premise identification systems through data-sharing protocols with government.

Strategy 4.3

Develop a responsible stewardship communications strategy.

Initiatives

4.3.1 Develop a communications strategy to keep consumers and policy makers abreast of industry initiatives and successes on these issues.

ORGANIZATIONAL CAPACITY

OBJECTIVE

Enhance CFC's leadership capacity, and bring chicken farmers and the chicken industry together to develop consensus approaches to systemic and value chain issues.

Strategy 5.1

Build a strong national organization with enhanced leadership capacity.

Initiatives

5.1.1 Improve engagement of member organizations, as well as upstream and downstream stakeholders, in policy and decision processes.

5.1.2 Improve communication and transparency with chicken farmers, industry stakeholders, and government.

5.1.3 Improve governance and consensus development processes.

5.1.4 Implement professional development and succession plans for Directors and staff.

5.1.5 Improve relations with key government departments and agencies.

Strategy 5.2

Provide transparency and accountability on progress regarding the strategic plan.

Initiatives

5.2.1 On an annual basis, report to all stakeholders on the progress of the strategic plan.

5.2.2 Review the process to develop the next strategic plan.

Strategy 5.3

Establish a Promotion and Research Agency for chicken.

Initiatives

5.3.1 Determine the merits of establishing a Promotion and Research Agency for chicken.

Our objective is to have Canadians eat one additional chicken meal every two months.